



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



2016 CUHK Masters of Architecture  
Graduation Show



Volunteer Team



Volunteer Team

## Report Scope

This report covers the Hong Kong operational locations of Soundwill Holdings Limited (the “Group”). The time frame of the report is the 2016 financial year (from 1 January to 31 December 2016), which is consistent with the period of the Group’s annual report.

This report was compiled with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in accordance with Appendix 27 of the Listing Rules. It is the Group’s first environmental, social and

governance report compiled based on this guide. General disclosures are made based on the “comply or explain” provision of the guide. The 2017 report is planned to be deepened to increase coverage of key performance indicators. In line with these standards, key stakeholders, our Environmental, Social and Governance Committee and independent third-party were engaged in the preparation of this report and in reviewing the most relevant and important issues for the Group to report on.



Concierge Team



Volunteer Team



2016 Social Capital Builder Award



2016 Caring Company



Midtown Pop - Art Gallery



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## Overview

“Operating with heart” is our philosophy, aims at sustaining our business development and steady growth through our contribution for our people, customers, community and the environment. While we are committed to creating value for stakeholders by providing customers with products and services of impeccable quality and better returns to shareholders, we also undertake various corporate social responsibility programmes and initiatives to work for the betterment of the society.

<b>Environment</b>	<ul style="list-style-type: none"> <li>Striving to improve its operational methods to reduce the impact of business on the environment</li> <li>Strictly complies with relevant environmental legislation</li> <li>During the reporting period, there were no cases of prosecution for violating environmental legislation</li> </ul>
<b>Society</b>	<p>Employment</p> <ul style="list-style-type: none"> <li>Aspiring to be an employer of choice and placing high importance on human capital management</li> <li>Strictly complies with the relevant employment legislation</li> <li>During the reporting period, there were no cases of prosecution for violating related legislation</li> </ul>
	<p>Health and Safety</p> <ul style="list-style-type: none"> <li>Aiming to achieve zero injuries in all of its workplaces</li> <li>Strictly complies with the relevant safety legislation</li> <li>During the reporting period, there were no cases of prosecution for violating related legislation</li> </ul>
	<p>Product Responsibility</p> <ul style="list-style-type: none"> <li>Professional teams strives to provide its customers with high-quality products and services</li> <li>Strictly complies with the relevant product liability and privacy-related legislation</li> <li>During the reporting period, there were no cases of prosecution for violating related legislation</li> </ul>
	<p>Anti-corruption</p> <ul style="list-style-type: none"> <li>Maintaining a robust and transparent corporate governance structure</li> <li>Strictly complies with the relevant anti-corruption and bribery legislation</li> <li>During the reporting period, there were no cases of prosecution for violating related legislation</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Consistently endeavours to fulfil its social responsibilities, enthusiastically participating in a variety of charitable activities to show its care for vulnerable groups</li> <li>The Group has been honoured as a “Caring Company” for many years</li> <li>During the reporting period, the Group was honoured with the 2016 Social Capital Builder Award</li> <li>The Group’s volunteer team actively participates in various community activities</li> <li>Supporting artistic activities and promoting community culture</li> </ul>

## Communication with Stakeholders

The Group believes that effective communication with stakeholders is essential for improving relationships and helping them understand the Group's performance and strategies. We believe communication with stakeholders must take place on a regular, comprehensive and interactive basis through methods including interviews, teleconferences, promotional overseas tours and scheduled visits to the Group's projects. The Group also proactively maintains a high degree of transparency via press releases, announcements and other promotional materials. Furthermore, the Group believes that transparent and timely disclosures of information help the Group enhance its environmental, social and governance practices.

## Environment

### A.1 Emissions

The Group is conscious of the impact of climate change on the world and its effects on the economy, society and environment. Consequently we must remain prepared and improve the utilisation of our resources. The Group includes environmental considerations in its decision-making processes at all levels and allocates resources to environmental management. We strive to promote environmental protection both inside and outside of the Group, including through initiatives such as reducing greenhouse gas emissions, efficiently using energy, minimising waste and undertaking recycling.

The Group strives to improve its operational methods to reduce greenhouse gas emissions, notably by enhancing its energy efficiency and power consumption. To do so, the Group periodically monitors and reviews the power usage of its properties, adjusting the times during which power is supplied to the lifts, air-conditioning systems, public lighting systems and other facilities. In addition to monitoring and improving its operating models, the Group also allocates resources to the adoption of energy-saving devices. Examples include switching T8 light fixtures to more energy-saving LED-based lighting systems. All of these measures effectively increase energy efficiency and reduce the emissions of greenhouse gases. Furthermore, the Group actively participates in the Earth Hour organised by the World Wide Fund for Nature, in addition to other community activities that support reductions in carbon emissions.

The Group is also committed to supporting waste reduction measures to reduce the impact of business on the environment. It sorts and recycles waste where feasible and properly disposes of non-recyclable waste. In addition, recyclable non-hazardous waste including waste paper, card stock, plastic bottles and aluminium cans, is delivered to contractors for recycling. The Group also evaluates the relevant production processes to find the sources of hazardous waste, before then formulating action plans and procedures to reduce it, ensuring that registered chemical waste collectors are engaged to collect and dispose of it.

The Group further monitors the post-processing of waste carried out by outsourcing businesses and actively participates in community activities to reduce waste and promote recycling. For example, it participates in the Waste Electrical and Electronic Equipment Recycling Service and the Promotion Programme on Source Separation of Waste organised by the Environmental Protection Department (the "EPD"). To help it stay at the cutting edge of environmental protection issues, the Group encourages employees to attend relevant seminars and events. Employees participated in the Cherish Food Seminar held by the Hong Kong Women Professional & Entrepreneurs Association together with the Hong Kong Productivity Council, learning more management methods to reduce kitchen waste and working hands-on to support waste reduction at the source.

The Group strictly complies with relevant environmental legislation. During this period, there were no cases of prosecution for violating environmental legislation.

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## A.2 Use of Resources

The Group continues to explore methods of reducing energy consumption and increasing the efficient use of water. Through periodic monitoring and reviews of power usage at its properties, including the allocation of resources to adopt more energy-efficient equipment, the Group has successfully improved the energy-saving performance of a number of its properties. The Group also actively participates in community activities that promote energy conservation such as at the Park Haven and WarrenWoods properties which participated in the No Air Con Night held by Green Sense to promote low-carbon living.

The Group also places great importance on water efficiency as well. It has established channels to allow its employees to report faucet and water pipe leaks to those responsible, while the Group's employees are also instructed to follow the principle of using water only when necessary during their daily work, thereby reducing wastage.

## A.3 Environment and Natural Resources

The Group is committed to reducing the negative impact of its operations on the environment and natural resources. All of its properties have sewage discharge licenses and comply with Water Pollution Control Ordinance to avoid damage to water quality and the ecological environment.

Advanced and innovative processes to eliminate or reduce production of toxic chemical waste have also been adopted by the Group. Appropriate storage, treatment and transport methods and solutions help to prevent hazardous materials from leaking into the environment, in accordance with the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes issued by the EPD.

The Group has also signed the Environment Bureau's Charter on External Lighting, promising to turn off decorative, promotional and advertising lighting equipment that affects the outdoor environment between 11:00 p.m. and 7:00 a.m. in order to avoid light pollution in the surrounding environment.

In addition to these elements, the Group also places significant importance on the air quality of its properties. Soundwill Plaza in particular has been awarded the Indoor Air Quality Certificate by the EPD, while the Group also achieves optimal air quality by providing smoke-free workplaces and periodically running indoor air tests.

## Society

### B.1 Employment

The Group's employment and recruitment processes are highly transparent. Decision-making is rigorous and fact-based. The Group bases salaries on the principle of fairness and ensures that wages are no lower than the minimum wage requirements. Wages in related markets are also referenced to provide attractive compensation. The Group offers a variety of allowances and reimbursements to qualifying employees and provides staff with retirement plans as stipulated by laws and regulations. The Group welcomes diversity in its staff and views this as a source of innovation. Regardless of ethnicity, religion, gender or age, all people receive equal employment opportunity, including in recruitment, development, promotion, training and other employment decisions. Employment contracts are terminated via written notices and all compensation is consistent with legal requirements. The employee retirement age is 65. In cases where the Group believes that employees possess irreplaceable experience and are deeply familiar with the Group's operations, and as long as health conditions permit it, arrangements agreeable to both parties can be reached or employees can enter the Group under new employment contracts.

The Group takes pleasure in providing employees with an environment that balances work and family life, and encourages an interactive and comfortable work environment. The Group absolutely does not tolerate any form of discrimination, including harassment directed at employees' gender, ethnicity, age, religion or nationality, regardless of whether the harasser is another employee, a customer or a supplier. Harassment includes violence in any form in the workplace. The goal is to provide all employees with a work environment free from aggressive and intimidating behaviour, while offering job opportunities based on merit and business considerations. Any employee may report potential concerns or violations at any time.

If work injuries or deaths unfortunately occur, the Group offers reasonable compensation to its employees and their families. The Group also purchases medical insurance for its employees to allow them to use medical services at a low cost.

Employee performance review managers and employees together review the previous year's work, both to evaluate work satisfaction and plan future work. Performance evaluation is a critical management tool for improving cooperation and ensuring that established targets are met. In addition to their daily work, employees also have the opportunity to evaluate and plan their development and support measures.

The Group strictly complies with the relevant employment legislation. During the reporting period, there were no cases of prosecution for violating employment legislation.

## **B.2 Health and Safety**

In its occupational health and safety objectives, the Group aims to achieve zero injuries in all of its workplaces. Throughout the Group's operations, no compromise on safety is tolerated. Through mutual trust and transparent communication, the Group and its employees strive to improve workplace safety standards and develop a proactive and positive safety culture.

The Group takes a positive and proactive approach to potential safety hazards. It also ensures strict compliance with all applicable safety laws and regulations, and ensures that safety rights and responsibilities are clear at all levels of the organisation, in order to strengthen the concept of responsibility for safety. Management also leads by example, providing sustained and visible support for safety in the workplace. The Group sets aside funds to update safety equipment, conduct safety training and education, promote and evaluate safety measures and hold emergency rescue drills.

Annually, or whenever necessary, the Group reviews and analyses work procedures and operations, conducts internal audits and monitors implementation. With regard to health and safety, management focuses on prevention to identify potential dangers in the workplace and implement corresponding safety precautions. Third-party safety audits are also carried out in accordance with the relevant legislation.

Furthermore, by sharing and exchanging knowledge and experience, the Group continues to improve the knowledge, awareness, behaviour and ability of its management, employees, suppliers and contractors regarding safety and hazard management. In addition, the Group sets quantifiable objectives and clear safety measures, regularly reviews performance and actively pursues continuous progress in safety performance.

The Group also provides its employees with introductory safety training courses and special safety training to ensure that employees correctly understand potential hazards in their work and have the safety knowledge needed to respond to them. Additionally, employees are asked to complete introductory safety training questionnaires. All on-site workers are required to possess valid Construction Industry Safety Training Certificates (Safety Cards) as well as registration certificates for the relevant processes to confirm that new recruits understand the relevant safety rules. At the same time, the Group provides appropriate personal protective equipment for its employees and strictly mandates that employees use such equipment.

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The Group also requires that contractors perform collective safety inspections weekly and periodically. They also need to submit inspection reports detailing safety risks, follow-ups and subsequent improvements. The Group and the Site Safety Management Committee further arrange and record joint safety inspections, requiring that subcontractors also be present.

The Group strictly complies with the relevant safety legislation. During the reporting period, there were no cases of prosecution for violating occupational safety legislation.

### B.3 Development and Training

The Group fully understands that its employees drive the sustainable development of its business. We periodically review employees' achievements, growth and development needs, and help employees plan their career development. We encourage employees to participate in training and seminars and to develop their abilities in order to handle challenging work.

The market is changing rapidly. To help its employees respond to a world that changes with each passing day, the Group equips its employees with the skills and knowledge needed both now and in the future to keep pace with the times. The Group jointly develops training objectives with employees, providing appropriate training to help employees improve their existing skills and knowledge in order to respond to new work requirements.

### B.4 Labour Standards

The Group has taken proactive measures to prevent child labour. Prior to hiring any applicant, the Group adopts effective procedures to verify his or her age, thoroughly examining all files related to the applicant's age to ensure that applicants meet the minimum required age of 18.

The Group prohibits any indentured servitude or forced labour, ensuring that employees are participating in work or labour on the basis of their own free will. The use of any indentured or contract labour, corporal punishment, imprisonment and threats of violence are prohibited. Recruitment is based on impartiality and free will. The recruitment of employees through coercion or deception is prohibited.

No child labour or forced labour occurred within the Group during the reporting period.

### B.5 Supply Chain Management

The Group encourages continuous improvement among its suppliers, and expects all suppliers to comply with the laws and regulations of their countries. Imported products must also comply with local laws and regulations. The Group also requires that its suppliers provide safe working environments for their employees. Ensuring health and safety must be an indispensable part of their work activities. At the same time, suppliers must continue to improve their safety standards and performance with the aim of achieving zero injuries.

The Group expects suppliers to implement sound employment measures by dealing with their employees fairly and reasonably, respecting employees' rights and providing employees with environments free of discrimination, child labour and forced labour. Suppliers must also abide by transparent business processes and high standards of conduct, including avoiding conflicts of interest and prohibiting giving and accepting bribes.

The Group's suppliers must also emphasise the efficient use of resources and strive to reduce waste. This includes efficiently using fuel and water, properly processing and disposing of waste, monitoring and managing their impact on the environment with a responsible attitude, and continuing to improve in all areas.

### B.6 Product Responsibility

The Group strives to provide its customers with high-quality services, treating customers with a sincere and respectful attitude. Professional teams proactively collect and listen to the opinions of tenants and users, responding properly and providing support services. In addition, customer service performance is reviewed periodically to improve service quality.

The Group places a great deal of importance on the quality of its properties. Before a property is formally delivered, numerous rounds of review are performed, including self-inspection by the construction unit, re-examination by supervisors and acceptance inspections by the relevant government departments. Before delivery to the customer, several internal acceptance checks are also performed. Additionally, to ensure the efficiency and professionalism of property acceptance checks and problem solving, the Group continues to provide its employees with relevant internal and external training.

To ensure that every newly completed unit is absolutely perfect, multiple detailed inspections of the unit are performed before a property is delivered. To then ensure that each unit is in ideal condition when delivered to its owner, ad-hoc professional teams provide customers with comprehensive and caring service, helping new owners handle the acceptance procedures to make the hand-over as easy as possible.

The Group's high-quality services extend after the delivery of the unit. Full-time teams are established to identify the services required during the use of the new unit, and then follow up proactively. In addition to providing comprehensive after-sales service, newly-occupied properties also enjoy maintenance warranties for the first two years, boosting tenants' peace of mind.

Customer service is extremely important to the Group. Its property management subsidiaries provide high-quality property management services for tenants and customers. The professional property management teams are continuously innovating and listening to tenants' views to improve service quality. Soundwill Plaza in particular won the Outstanding Security Services – Industrial and Commercial Property Award at the Best Security Services Awards held by the Hong Kong Island Regional Crime Prevention Office of the Hong Kong Police Force.

The Group is dedicated to improving customer services to satisfy customers, but when disputes that cannot be resolved through after-sales service mechanisms do arise, the Group prefers to resolve them through mediation. The Group is aware that, compared to court proceedings, mediation is better able to resolve a variety of disputes efficiently, simultaneously saving time and money. In view of this, the Group has signed the Mediate-First Pledge of the Department of Justice. If a dispute occurs between the Group and another person or organisation, the Group is willing to try mediation to resolve the dispute first before attempting other methods of dispute resolution or filing litigation with the court.

The Group complies strictly with the relevant product liability legislation. During the reporting period, there were no cases of prosecution for violating product liability or privacy-related legislation.

## **B.7 Anti-corruption**

The Group has established systems to supervise its corporate governance, with responsibility shared jointly by the members of the Board of Directors. The Group requires that directors and employees comply with the code of business ethics. They may not engage in any corruption or bribery. Simultaneously, independent internal audits have been established.

The Group requires that its employees declare conflicts of interest to the human resources department. It provides training for positions at higher risk of conflicts of interest, such as the senior management of each department, the property development department, the property investment department, the construction department, the marketing and sales department, the leasing department and the purchasing department. In addition, the Independent Commission Against Corruption is periodically invited to the Group to hold anti-corruption seminars.

Five suppliers are invited to bid on large contracts, whereas three suppliers are invited for bidding on relatively small contracts. Contracts of different sizes are approved by personnel at different levels, including senior managers, general managers and Directors. Headquarters and the property management department already act in accordance with the above principles. The Group complies with the relevant anti-corruption and bribery legislation. During the reporting period, there were no cases of prosecution for violating related legislation.

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## Community

### B.8 Community Investment

The Group consistently endeavours to fulfil its social responsibilities, enthusiastically participating in a variety of charitable activities to show its care for vulnerable groups. This spirit is rooted in its corporate culture and complements the Group's business operations. Employees are encouraged to participate in a variety of charitable activities to support different sectors and give back to the community through action.

The Group has been honoured as a "Caring Company" by the Hong Kong Council of Social Service for many years. This fully demonstrates its corporate spirit of striving to care for society through action. During the reporting period, the Group was also honoured with the 2016 Social Capital Builder Award issued by the Community Investment & Inclusion Fund of the Labour and Welfare Bureau, which praised the Group for its years of practicing the spirit of social capital and its contributions to the development of social capital in Hong Kong.

The Group's volunteer team actively participates in various community activities. They regularly participate in the Little Bean Sprout Storytelling Sessions for the Family Storytelling – Neighbourhood Development Project hosted by the Hong Kong Outlying Islands Women's Association, sharing stories with children in the Tung Chung community. By telling stories, the volunteer team instils a positive attitude in the schoolchildren. The Group also participated in the Outlying Islands Women's Association's Tung Chung Youth Marching Band Recital 2016, further enhancing its care for the community. In addition, a volunteer team participates in the Pei Ho Counterparts community meal activities, helping distribute free lunchboxes to people in need. The team also participates in volunteer activity with Food Angel, pre-processing donated food and helping process vegetables and packaged food.

The Group's employees actively participate in the Green Day and Dress Casual Day held by the Hong Kong Community Chest. The money raised goes to local vulnerable groups, further contributing to benevolent causes.

The Group has consistently supported artistic activities and promoted community culture. For many years, it has actively and enthusiastically participated in cooperation between arts organisations and corporate brands, holding a variety of art exhibitions and activities. The Group provides a multi-purpose 8,000 square feet performance venue called "Midtown POP" in Soundwill Plaza II – Midtown. Midtown POP gives local and foreign artists opportunities to display their works, while also giving the public opportunities to understand, appreciate and engage with artistic creations. The Group also focuses on education, sponsoring and providing a venue for the 20th Masters of Architecture Graduation Show organised by the School of Architecture of the Chinese University of Hong Kong, where the creations of 53 graduates were exhibited. In addition, the Group has cooperated with a number of international fashion brands to hold fashion shows and events, further enhancing Hong Kong's status and visibility in the international community.

In conjunction with its members and property projects, the Group has been honoured with numerous commendations, which provide sufficient evidence to confirm that the Group's many years of enthusiasm and efforts toward fulfilling its social responsibility have been highly recognised, and that the Group consistently shoulders its corporate social responsibilities. The Group will continue to make good use of its resources and networks, mobilising employees to serve society.

## Outlook

In future, the Group will continue to pursue the mission of becoming a sustainable enterprise as its new direction for development. Towards this end, it will improve its performance on all aspects of the environment, society and governance in its operations, responding to related government policies and participating in activities organised by related groups. In accordance with the ESG Reporting Guide, the Group will continue to share environmental, social and governance information with the public.